

MSRB believes that this rule satisfies this standard because it is intended to clarify that a dealer's general obligation to provide disclosure is viewed within the context of reasonably available information about the municipal security and the dealer's actual knowledge of the municipal security. Additionally, the MSRB believes that the proposed rule change will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act, since it applies equally to all brokers, dealers and municipal securities dealers.

The Commission must approve a proposed MSRB rule change if the Commission finds that the MSRB's proposal is consistent with the requirements of the Exchange Act and the rules and regulations thereunder that govern the MSRB.<sup>8</sup> The language of section 15B(b)(2)(C) of the Exchange Act requires that the MSRB's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principals of trade, to foster cooperation and coordination with persons engaged in regulating, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national system, and, in general, to protect investors and the public interest.<sup>9</sup>

After careful review, the Commission finds that the MSRB's proposed rule change consisting of an interpretation of Rule G-17, on disclosure of material facts, meets this standard. The Commission believes that this proposed rule change is consistent with the requirements of the Exchange Act, and the rules and regulations thereunder. In particular, the Commission finds that the proposed rule is consistent with the requirements of section 15B(b)(2)(C) of the Act, set forth above.

### III. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Exchange Act,<sup>10</sup> that the proposed rule change (File No. SR-MSRB-2002-01) be and hereby is, approved.

mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

<sup>8</sup> Additionally, in approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>9</sup> 15 U.S.C. 78o-4(b)(2)(c).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-7042 Filed 3-22-02; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45573; File No. SR-Phlx-2001-33]

### Self-Regulatory Organizations; Order Approving Proposed Rule Change and Amendment Nos. 1 and 2 Thereto by the Philadelphia Stock Exchange, Inc. Relating to Solicitation of Trading Interest on the Exchange Floor

March 15, 2002.

#### I. Introduction

On March 8, 2001, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt Phlx Rule 1033(a)(ii) and Options Floor Procedure Advice ("OFPA") F-32 pertaining to the solicitation of quotations.<sup>3</sup> On May 11, 2001, the Exchange filed Amendment No. 1 to the proposed rule change with the Commission.<sup>4</sup> On November 21, 2001, the Exchange filed Amendment No. 2 to the proposed rule change with the Commission.<sup>5</sup> The proposed rule change and Amendment Nos. 1 and 2 were published in the **Federal Register** on February 12, 2002.<sup>6</sup> No comments were received regarding the proposal. This

<sup>11</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4

<sup>3</sup> The Exchange filed this proposed rule change pursuant to the provisions of Section IV.B.j. of the Commission's September 11, 2000 Order Instituting Public Administrative Proceedings Pursuant to Section 19(h)(1) of the Act, which required the Exchange, among other things, to adopt new, or amend existing, rules to include any practice or procedure whereby market makers trading any particular option class determine by agreement the spreads or option prices at which they will trade any option class.

<sup>4</sup> See Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated May 10, 2001 ("Amendment No. 1").

<sup>5</sup> See Letter from Richard S. Rudolph, Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated November 21, 2001 ("Amendment No. 2").

<sup>6</sup> See Securities Exchange Act Release No. 45391 (February 4, 2002), 67 FR 6570.

order approves the proposed rule change, as amended.

#### II. Description of the Proposal

The Exchange proposes to adopt Phlx Rule 1033(a)(ii) and OFPA F-32, which would permit the members of a trading crowd (including the specialist and Registered Options Traders ("ROTs")) to discuss, negotiate, and agree upon the price or prices at which an order of a size greater than the AUTO-X guarantee can be executed at that time, or the number of contracts that can be executed at a given price or prices in response to a floor broker's request for a single bid or offer. The proposal would expressly permit a collective response from trading crowd members. However, members would not be required to participate in a collective response and may voice a bid or offer independently from, and differently from, the trading crowd members. In fact, an individual ROT with the necessary liquidity, willing to execute a trade at a price better than the prevailing market, could bid against the crowd and take the entire trade, or part of the trade, pursuant to the Phlx allocation rules.<sup>7</sup>

#### III. Discussion

After careful consideration the Commission has determined to approve the proposed rule change. For the reasons discussed below, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,<sup>8</sup> and, in particular, with section 6(b)(8) of the Act,<sup>9</sup> which requires that the rules of an exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

This proposed rule change will clearly establish in the Phlx's rules the parameters under which Phlx specialists and ROTs may coordinate to respond efficiently to the needs of investors, while fulfilling their duty to make fair and orderly markets. In particular, the proposed rule change will allow the trading crowd, in response to a floor broker's request for a single bid or offer for a large size order, to collectively discuss, negotiate and agree upon the price or prices at which an order of a size greater than the AUTO-X guarantee

<sup>7</sup> See Phlx Rule 1014. See also File No. SR-Phlx-2001-39 (proposing to amend Phlx Rule 1014).

<sup>8</sup> In approving this proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>9</sup> 15 U.S.C. 78f(b)(8).

can be executed at that time, or the number of contracts that can be executed at a given price or prices.

The Commission believes that this proposed rule change recognizes the desire of the marketplace to provide a single price to a request to fill a large order that a single member might not be able to fill. The Commission believes that any anticompetitive effect of this proposal is limited by requiring that there be a request for a single price and that the order be sufficiently large.<sup>10</sup> In addition, the Commission notes that under the proposed rule change, a single crowd participant may voice a bid or offer independently from, and differently from, the specialist and other members of a trading crowd in order to execute the entire order or part of the order.<sup>11</sup>

Finally, the Commission finds that the proposed rule change is designed to effectively limit the circumstances in which collective action is permissible.

#### IV. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-Phlx-2001-33) is approved, as amended.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-7041 Filed 3-22-02; 8:45 am]

BILLING CODE 8010-01-U

#### SMALL BUSINESS ADMINISTRATION

##### Connecticut District Advisory Council; Public Meeting

The U.S. Small Business Administration Connecticut District Advisory Council, located in the geographical area of Hartford, Connecticut will hold a public meeting at 8:30 a.m., on Monday, April 8, 2002, Connecticut District Office, 330 Main Street, Hartford, Connecticut 06106, to discuss such matters as may be presented. For further information, write or call Marie Record, District Director, U.S. Small Business Administration, 330 Main Street, Hartford, Connecticut—(860) 240-4700.

<sup>10</sup> The Commission expects the Exchange to monitor the collective actions that are undertaken pursuant to the rule change approved herein for any undesirable or inappropriate anticompetitive effects. The Commission's examination staff will monitor the Exchange's efforts in this regard.

<sup>11</sup> See *supra* note 7. See also Phlx Rules 1015(a) and 1082(e).

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

Anyone wishing to attend and make an oral presentation to the Board must contact Marie A. Record, no later than April 4, 2002 via e-mail or fax. Marie A. Record, District Director, U.S. Small Business Administration, Connecticut District Office 330 Main Street, Hartford, CT 06106 (860) 240-4670 phone or (860) 240-4714 fax or e-mail [marie.record@sba.gov](mailto:marie.record@sba.gov).

**Steve Tupper,**

*Committee Management Officer.*

[FR Doc. 02-7119 Filed 3-22-02; 8:45 am]

BILLING CODE 8025-01-P

#### SMALL BUSINESS ADMINISTRATION

##### Notice Seeking Exemption Under Section 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that TD Lighthouse Capital Fund, L.P. ("TD Lighthouse"), 303 Detroit Street, Suite 301, Ann Arbor, Michigan 48104, and TD Origin Capital Fund, L.P. ("TD Origin"), 150 Washington Avenue, Santa Fe, New Mexico, Federal Licensees under the Small Business Investment Act of 1958, as amended ("the Act"), in connection with the financing of a small concern, has sought an exemption under section 312 of the Act and section 107.730, Financings which constitute Conflicts of Interest, of the Small Business Administration ("SBA") rules and regulations (13 CFR 107.730 (2002)). TD Lighthouse and TD Origin propose to provide equity financing to LivHome, Inc. ("LivHome"), 5900 Wilshire Boulevard, Suite 705, Los Angeles, California 90036. The financing is contemplated for market expansion and working capital.

The financing is brought within the purview of Section 107.730(a)(1) of the Regulations because Tullis Dickerson Capital Focus II, L.P. and TD Javelin Capital Fund II, L.P., Associates of both TD Lighthouse and TD Origin, currently and collectively own greater than 10 percent of LivHome, and therefore LivHome is considered an Associate of TD Lighthouse and TD Origin as defined in Section 107.50 of the Regulations.

Notice is hereby given that any interested person may submit written comments on the transaction to the Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street, SW, Washington, DC 20416.

Dated: March 19, 2002.

**Harry Haskins,**

*Acting Associate Administrator for Investment.*

[FR Doc. 02-7118 Filed 3-22-02; 8:45 am]

BILLING CODE 8025-01-P

#### DEPARTMENT OF STATE

#### DEPARTMENT OF TRANSPORTATION

##### Maritime Administration

[Public Notice 3917]

##### Secretary of State's Advisory Committee on Private International Law (ACPIL), Study Group on International Carriage of Goods by Sea; Meeting Notice

There will be a public meeting of a Study Group of the Secretary of State's Advisory Committee on Private International Law on Friday April 5, 2002, to consider the draft instrument on the International Carriage of Goods by Sea, as prepared by the Comité Maritime International (CMI) for the United Nations Commission on International Trade Law (UNCITRAL). The meeting will be held from 2 p.m. to 5 p.m. in the offices of Haight Gardner Holland & Knight, Suite 100, 2099 Pennsylvania Avenue, NW., Washington, DC.

The purpose of the Study Group meeting is to assist the Departments of State and Transportation in determining the U.S. negotiating position for the first session of the UNCITRAL Working Group on this draft instrument, to be held in New York from April 15 to 26, 2002.

A copy of the preliminary draft convention is available on UNCITRAL's website, [www.uncitral.org](http://www.uncitral.org). The Study Group meeting is open to the public up to the capacity of the meeting room. Persons wishing to attend should contact Miss Rosie Gonzales by fax at 202-776-8482, by telephone at 202-776-8420 or by e-mail at [gonzalez@ms.state.gov](mailto:gonzalez@ms.state.gov), providing their name, affiliation, telephone and fax number, and e-mail address. Persons who wish to have their views considered are encouraged to submit written comments in advance of the meeting. Comments should refer to Docket number MARAD-2001-11135. Written comments may be submitted to the Docket Clerk, U.S. DOT Dockets, Room PL-401, Department of Transportation, 400 7th St., SW., Washington, DC 20490-0001. You may also send comments electronically via the Internet at <http://dmses.dot.gov/>